

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Canales, et al.

H.B. No. 2219

A BILL TO BE ENTITLED

AN ACT

relating to the issuance of Texas Mobility Fund obligations.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 201.943(a), Transportation Code, is amended to read as follows:

(a) Subject to Subsections (e), (f), and (g), [~~and (1)~~], the commission by order or resolution may issue obligations in the name and on behalf of the state and the department and may enter into credit agreements related to the obligations. The obligations may be issued in multiple series and issues from time to time in an aggregate amount not exceeding the maximum obligation amount. The obligations may be issued on and may have the terms and provisions the commission determines appropriate and in the interests of the state. The obligations may be issued as long-term obligations, short-term obligations, or both. The latest scheduled maturity of an issue or series of obligations may not exceed 30 years.

SECTION 2. Section 201.943(1), Transportation Code, is repealed.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.

ADOPTED

VV  
MAY 24 2021

*Lately Law*  
Secretary of the Senate

FLOOR AMENDMENT NO. \_\_\_\_\_

BY: \_\_\_\_\_

*Phyllis Lee N. D.*

1 Amend H.B. No. 2219 (senate committee report) as follows:

2 (1) In the recital to SECTION 1 of the bill (page 1, lines  
3 22-23), strike "201.943(a), Transportation Code, is amended" and  
4 substitute "201.943, Transportation Code, is amended by amending  
5 Subsections (a) and (l) and adding Subsection (m)".

6 (2) In SECTION 1 of the bill, in amended Section 201.943(a),  
7 Transportation Code (page 1, line 24), strike "and (g), [~~and (l)~~]"  
8 and substitute "(g), [~~and~~] (l), and (m)".

9 (3) In SECTION 1 of the bill, immediately following amended  
10 Section 201.943(a), Transportation Code (page 1, between lines 34  
11 and 35), insert the following:

12 (1) Except as otherwise provided by this subsection,  
13 obligations may not be issued under this section or Section 49-k,  
14 Article III, Texas Constitution, on or after January 1, 2027  
15 [~~2015~~]. The commission may issue obligations to refund:

16 (1) outstanding obligations to provide savings to the  
17 state; and

18 (2) outstanding variable rate obligations and may  
19 renew or replace credit agreements relating to the variable rate  
20 obligations.

21 (m) The aggregate principal amount of obligations that may  
22 be issued under this section or Section 49-k, Article III, Texas  
23 Constitution, after May 31, 2021, and before January 1, 2027, other  
24 than obligations described by Subsection (1)(1) or (2), may not  
25 exceed an amount equal to 60 percent of the outstanding principal  
26 amount existing on May 1, 2021, of obligations issued under this  
27 section or Section 49-k, Article III, Texas Constitution.

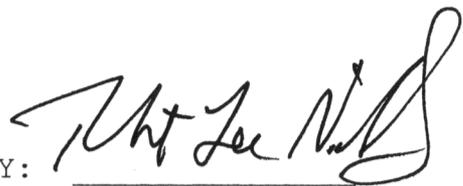
28 (4) Strike SECTION 2 of the bill (page 1, lines 35 and 36)  
29 and renumber the SECTIONS of the bill accordingly.

# ADOPTED

MAY 24 2021

*Lately Law*  
Secretary of the Senate

FLOOR AMENDMENT NO. 2

BY: 

1 Amend H.B. No. 2219 (senate committee report) as follows:

2 (1) In the recital to SECTION 1 of the bill (page 1, line  
3 22), strike "Section 201.943(a), Transportation Code, is" and  
4 substitute "Sections 201.943(a) and (d), Transportation Code,  
5 are".

6 (2) In SECTION 1 of the bill, immediately following amended  
7 Section 201.943(a), Transportation Code (page 1, between lines 34  
8 and 35), insert the following:

9 (d) Obligations may be issued for one or more of the  
10 following purposes:

11 (1) to pay all or part of the costs of constructing,  
12 reconstructing, acquiring, and expanding state highways, including  
13 any necessary design and acquisition of rights-of-way, in the  
14 manner and locations determined by the commission that, according  
15 to conclusive findings of the commission, have an expected useful  
16 life, without material repair, of not less than 10 years;

17 (2) to provide participation by the state in the  
18 payment of part of the costs of constructing and providing  
19 [~~publicly owned toll roads and other~~] public transportation  
20 projects that are determined by the commission to be in the best  
21 interests of the state in its major goal of improving the mobility  
22 of the residents of the state;

23 (3) to create debt service reserve accounts;

24 (4) to pay interest on obligations for a period of not  
25 longer than two years;

- 1 (5) to refund or cancel outstanding obligations; and  
2 (6) to pay the commission's costs of issuance.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 27, 2021**

**TO:** Honorable Dade Phelan, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2219** by Canales (Relating to the issuance of Texas Mobility Fund obligations.), **As Passed 2nd House**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2219, As Passed 2nd House : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from <i>Bond Proceeds - Texas Mobility Fund 8105</i>	Probable Savings/(Cost) from <i>Texas Mobility Fund 365</i>
	2022	\$1,500,000,000
2023	\$0	(\$40,000,000)
2024	\$1,500,000,000	(\$50,000,000)
2025	\$0	(\$100,000,000)
2026	\$0	(\$110,000,000)

**Fiscal Analysis**

The bill would amend Transportation Code §201.943, relating to authority to issue Texas Mobility Fund (TMF) obligations, to authorize the Texas Transportation Commission (TTC) to issue new TMF obligations from the effective date of the bill until January 1, 2027. The bill would specify that the aggregate principal amount of new TMF obligations that may be issued after May 31, 2021, and before January 1, 2027, may not exceed an amount equal to 60 percent of outstanding principal amount of TMF obligations existing on May 1, 2021. The bill would repeal statutory authority to issue obligations to provide funding for publicly owned toll roads.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2021.

### **Methodology**

Current law prohibits the TTC from issuing new TMF obligations under Section 49-k, Article III, Texas Constitution, and Section 201.943 of the Transportation Code, on or after January 1, 2015. The bill would authorize the issuance of new TMF obligations from the effective date of the bill until January 1, 2027, for the purpose of providing financing for transportation projects

Based on the information provided by the Texas Department of Transportation (TxDOT), it is assumed current revenue estimates for the Texas Mobility Fund and market interest rates would enable the TTC to issue as much as \$3.0 billion in new bond proceeds to provide financing for transportation projects. Based on analysis provided by TxDOT, it is assumed that \$1.5 billion new TMF obligations would be issued in fiscal year 2022, with a final maturity date in 2045 (23 years), and \$1.5 billion would be issued in fiscal year 2024, with a final maturity date in 2042 (18 years), with an aggregate interest rate of 3.2 percent. Issuance of the obligations would result in revenue gains to the Texas Mobility Fund from the receipt of bond proceeds in fiscal years 2022 and 2024. Debt service payments on the new TMF obligations which would begin in fiscal year 2023 at a cost of \$40.0 million to the Texas Mobility Fund 365, with debt service payments and costs to Fund 365 continuing through fiscal year 2045. TxDOT estimates total repayment over the life of the bonds would be \$4.5 billion from Fund 365.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** JMc, LBO, TG, AAL, MB

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**May 12, 2021**

**TO:** Honorable Robert Nichols, Chair, Senate Committee on Transportation

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2219** by Canales (Relating to the issuance of Texas Mobility Fund obligations.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2219, As Engrossed : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from <i>Bond Proceeds - Texas Mobility Fund 8105</i>	Probable Savings/(Cost) from <i>Texas Mobility Fund 365</i>
2022	\$1,500,000,000	\$0
2023	\$0	(\$40,000,000)
2024	\$1,500,000,000	(\$50,000,000)
2025	\$0	(\$100,000,000)
2026	\$0	(\$110,000,000)

**Fiscal Analysis**

The bill would amend Section 201.943 of the Transportation Code, relating to the issuance of Texas Mobility Fund (TMF) bonds, to repeal Section 201.943(l) which specifies that the Transportation Commission (TTC) may not issue TMF obligations after January 1, 2015, except to refund outstanding obligations to provide savings to the state and to refund outstanding variable rate obligations and renew or replace credit agreements.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2021.

## **Methodology**

The bill would remove the statutory prohibition on the issuance of new TMF obligations under Section 49-k, Article III, Texas Constitution, and Section 201.943 of the Transportation Code, for the purpose of providing financing for transportation projects.

Based on the information provided by the Texas Department of Transportation (TxDOT), it is assumed current revenue estimates for the Texas Mobility Fund and market interest rates would enable the TTC to issue as much as \$3.0 billion in new bond proceeds to provide financing for transportation projects. Based on analysis provided by TxDOT, it is assumed that \$1.5 billion new TMF obligations would be issued in fiscal year 2022, with a final maturity date in 2045 (23 years), and \$1.5 billion would be issued in fiscal year 2024, with a final maturity date in 2042 (18 years), with an aggregate interest rate of 3.2 percent. Issuance of the obligations would result in revenue gains to the Texas Mobility Fund from the receipt of bond proceeds in fiscal years 2022 and 2024. Debt service payments on the new TMF obligations which would begin in fiscal year 2023 at a cost of \$40.0 million to the Texas Mobility Fund 365, with debt service payments and costs to Fund 365 continuing through fiscal year 2045. TxDOT estimates total repayment over the life of the bonds would be \$4.5 billion from Fund 365.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** JMc, AAL, TG, MB

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

April 2, 2021

TO: Honorable Terry Canales, Chair, House Committee on Transportation

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2219** by Canales (relating to the issuance of Texas Mobility Fund obligations.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2219, Committee Report 1st House, Substituted : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from <i>Bond Proceeds - Texas Mobility Fund 8105</i>	Probable Savings/(Cost) from <i>Texas Mobility Fund 365</i>
2022	\$1,500,000,000	\$0
2023	\$0	(\$40,000,000)
2024	\$1,500,000,000	(\$50,000,000)
2025	\$0	(\$100,000,000)
2026	\$0	(\$110,000,000)

**Fiscal Analysis**

The bill would amend Section 201.943 of the Transportation Code, relating to the issuance of Texas Mobility Fund (TMF) bonds, to repeal Section 201.943(l) which specifies that the Transportation Commission (TTC) may not issue TMF obligations after January 1, 2015, except to refund outstanding obligations to provide savings to the state and to refund outstanding variable rate obligations and renew or replace credit agreements.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2021.

## Methodology

The bill would remove the statutory prohibition on the issuance of new TMF obligations under Section 49-k, Article III, Texas Constitution, and Section 201.943 of the Transportation Code, for the purpose of providing financing for transportation projects.

Based on the information provided by the Texas Department of Transportation (TxDOT), it is assumed current revenue estimates for the Texas Mobility Fund and market interest rates would enable the TTC to issue as much as \$3.0 billion in new bond proceeds to provide financing for transportation projects. Based on analysis provided by TxDOT, it is assumed that \$1.5 billion new TMF obligations would be issued in fiscal year 2022, with a final maturity date in 2045 (23 years), and \$1.5 billion would be issued in fiscal year 2024, with a final maturity date in 2042 (18 years), with an aggregate interest rate of 3.2 percent. Issuance of the obligations would result in revenue gains to the Texas Mobility Fund from the receipt of bond proceeds in fiscal years 2022 and 2024. Debt service payments on the new TMF obligations which would begin in fiscal year 2023 at a cost of \$40.0 million to the Texas Mobility Fund 365, with debt service payments and costs to Fund 365 continuing through fiscal year 2045. TxDOT estimates total repayment over the life of the bonds would be \$4.5 billion from Fund 365.

## Local Government Impact

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** JMc, AAL, MB, TG

**LEGISLATIVE BUDGET BOARD**  
Austin, Texas

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

March 23, 2021

**TO:** Honorable Terry Canales, Chair, House Committee on Transportation

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2219** by Canales (Relating to the issuance of Texas Mobility Fund obligations.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2219, As Introduced : an impact of \$0 through the biennium ending August 31, 2023.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five- Year Impact:**

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2022	\$0
2023	\$0
2024	\$0
2025	\$0
2026	\$0

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	Probable Revenue Gain/(Loss) from <i>Bond Proceeds - Texas Mobility Fund 8105</i>	Probable Savings/(Cost) from <i>Texas Mobility Fund 365</i>
2022	\$1,500,000,000	\$0
2023	\$0	(\$40,000,000)
2024	\$1,500,000,000	(\$50,000,000)
2025	\$0	(\$100,000,000)
2026	\$0	(\$110,000,000)

**Fiscal Analysis**

The bill would amend Section 201.943 of the Transportation Code, relating to the issuance of Texas Mobility Fund (TMF) bonds, to repeal Section 201.943(l) which specifies that the Transportation Commission (TTC) may not issue TMF obligations after January 1, 2015, except to refund outstanding obligations to provide savings to the state and to refund outstanding variable rate obligations and renew or replace credit agreements.

The bill would take effect immediately upon receiving a vote of two-thirds of all members elected to each house or otherwise on September 1, 2021.

## Methodology

The bill would remove the statutory prohibition on the issuance of new TMF obligations under Section 49-k, Article III, Texas Constitution, and Section 201.943 of the Transportation Code, for the purpose of providing financing for transportation projects.

Based on the information provided by the Texas Department of Transportation (TxDOT), it is assumed current revenue estimates for the Texas Mobility Fund and market interest rates would enable the TTC to issue as much as \$3.0 billion in new bond proceeds to provide financing for transportation projects. Based on analysis provided by TxDOT, it is assumed that \$1.5 billion new TMF obligations would be issued in fiscal year 2022, with a final maturity date in 2045 (23 years), and \$1.5 billion would be issued in fiscal year 2024, with a final maturity date in 2042 (18 years), with an aggregate interest rate of 3.2 percent. Issuance of the obligations would result in revenue gains to the Texas Mobility Fund from the receipt of bond proceeds in fiscal years 2022 and 2024. Debt service payments on the new TMF obligations which would begin in fiscal year 2023 at a cost of \$40.0 million to the Texas Mobility Fund 365, with debt service payments and costs to Fund 365 continuing through fiscal year 2045. TxDOT estimates total repayment over the life of the bonds would be \$4.5 billion from Fund 365.

## Local Government Impact

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation

**LBB Staff:** JMc, AAL, MB, TG